

JAMES A. BOHL JR.
Alderman, 5th District

February 3, 2004

To the Honorable, the Common Council

Dear Members:

Re: Common Council File 030599

Attached are written objections to the recommendation of the Utilities and Licenses Committee to grant, with a 30-day suspension based upon police report, the Class "B" Tavern and Tavern Dance renewal applications of Joseph Scardina "McGillycuddy's Bar and Grill" at 1133-37 N. Water St. in the 4th Aldermanic District.

This matter will be heard by the full Council at its February 10, 2004 meeting. Pursuant to City Ordinances, a roll call vote will be taken to confirm that all members have read the attached objections.

Respectfully,

A handwritten signature in dark ink that reads "James A. Bohl Jr." with a stylized flourish at the end.

James A. Bohl, Chair
Utilities and Licenses Committee

cc: All Council Members
City Attorney's Office
Common Council/City Clerk – License Division
CCF 030599



CITY OF MILWAUKEE
2004 FEB -3 AM 7:52
RONALD D. LEONHARDT
CITY CLERK
February 2, 2004

DELIVERED BY MESSENGER

Ronald D. Leonhardt, City Clerk
City Hall, Room 205
200 East Wells Street
Milwaukee, WI 53202

Dear Mr. Leonhardt:

Re: SEP Management, Inc.
McGillycuddy's Bar and Grill
1135 North Water Street

On behalf of the above-referenced licensed establishment ("Licensee"), we hereby object to the 30-day license suspension recommended by the Utilities and License Committee (the "Committee") of the Common Council on January 27, 2004. Details regarding our objection are contained in our letter to the members of the Committee (copy enclosed). We request the opportunity to accompany Licensee when this matter is brought before the full Common Council on February 10, 2004 at 9 a.m.

Please feel free to contact me or my partner Albert Orr (414-298-8209) directly if you have any questions.

Yours very truly,

A handwritten signature in dark ink, appearing to read 'Bruce T. Block', written in a cursive style.

Bruce T. Block

MW\1057734BTB:EW

cc Bruce Schrimpf, Esq.



CITY OF MILWAUKEE
2004 FEB -3 AM 7:53
RONALD E. LEONHARDT
CITY CLERK

reinhardtlaw.com

February 2, 2004

DELIVERED BY MESSENGER

Alderman James A. Bohl, Jr., Chair
Alderman Joe Davis, Sr., Vice Chair
Alderman Fredrick G. Gordon
Alderman Joe Dudzik
Alderman Terry L. Witkowski
Utilities and Licenses Committee
Milwaukee Common Council
City Hall
200 East Wells Street
Milwaukee, WI 53202

Re: SEP Management, Inc.
McGillycuddy's Bar and Grill
1135 North Water Street

Dear Aldermen Bohl, Davis, Gordon, Dudzik and Witkowski:

On behalf of SEP Management, Inc. ("Licensee"), this letter serves as notice of Licensee's objection to the action taken by the Utilities and License Committee (the "Committee") at its hearing on January 27, 2004. A 30-day suspension of Licensee's Class B Tavern and Tavern Dance licenses is not supported by Licensee's record or the facts. In addition, we are troubled by the inadequate prior notice given to Licensee regarding the hearing. For these reasons, discussed in more detail below, we respectfully urge the Committee to reconsider its action and recommend renewal of Licensee's licenses without any suspension or other penalty.

By separate letter to the City Clerk (copy enclosed), we have requested the opportunity to be heard when this matter is brought before the full Common Council on February 10, 2004 at 9 a.m.

Alderman James A. Bohl, Jr.
Alderman Joe Davis, Sr.
Alderman Frederick G. Gordon
Alderman Joe Dudzik
Alderman Terry L. Witkowski
February 2, 2004
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Our firm has represented Steven W. Smith and Paul D. Melotik, the owners and proprietors of McGillicuddy's, since 1987.

During that period, Steve and Paul have owned and operated several licensed establishments in the city. Throughout that period they have never had any license application or renewal denied or suspended. In addition to McGillicuddy's, they currently own and operate Flannery's Pub (opened September 1997 at 425 East Wells) and The Lodge (opened March 1999 at 134 East Juneau). With Flannery's, they took two eyesore spaces and created a top-notch restaurant and bar, an important presence in the developing Jefferson Street entertainment district.

They opened the original McGillicuddy's on November 1, 1992. The original location was one block north of the current location. Since 1992, Paul and Steve have helped make Water Street Milwaukee's most vibrant and successful entertainment district. Last year, McGillicuddy's served approximately 250,000 patrons, provided jobs for nearly 100 employees, paid over \$500,000 in wages (excluding owner compensation) and paid over \$375,000 in taxes. Enclosed is a fact sheet to provide you with additional information regarding the McGillicuddy's operation and Paul and Steve's background.

McGillicuddy's enjoys a terrific working relationship with its neighbors and Paul is the President of the Water Street Association. He provides leadership for the many joint activities of the businesses in this vibrant district, including Riversplash, block parties and a Bradley Center shuttle service.

Paul and Steve are committed to operating safe establishments. We do not believe the incidents noted in Specialist Dubis' report are indicative of an operation that should be shut down for any period of time. The volume of patrons at all of the Water Street establishments requires a constant focus on security. Paul and Steve recognize the need to continually improve their operations, and replaced two security personnel and their evening manager late in 2003 in order to strengthen their

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operation. They have also ordered a security camera system, and believe this will further improve their ability to manage this issue.

At the Committee hearing, the members expressed particular concern with an incident involving an off-duty police officer. Paul and Steve view any incident of this type as serious. We would like to point out, however, that the officer had been at the bar for quite some time, as a customer. He didn't announce that he was a police officer until after he became involved. If necessary, we are prepared to present witnesses to testify that his actions likely made the situation worse.

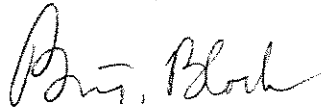
Lastly, we are deeply concerned that our client received inadequate notice of this matter. The notice was dated January 20, 2004 for a hearing on January 27, 2004. It is not clear when the notice was mailed. It was not personally served. For whatever reason, Licensee's agent did not receive the notice. Paul received a phone call from the City Clerk's office early in the afternoon of the 27th and was informed at that time that this matter was before the Committee. Paul and Joe Scardina (Licensee's agent) then promptly left for City Hall to attend the meeting. They were unaware of the content of Specialist Dubis' report. There is no question Paul and Steve would have attended the 9 a.m. hearing had they received or been served with notice. Moreover, they were completely blindsided by the subject matter of the hearing and not adequately prepared to respond.

In light of McGillycuddy's long record of success, the size of the operation, and their demonstrated commitment to customer safety and the safety of their neighborhood, we do not believe any suspension is justified, and we would respectfully urge renewal of their licenses without any penalty or suspension.

Alderman James A. Bohl, Jr.
Alderman Joe Davis, Sr.
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Alderman Terry L. Witkowski
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Please feel free to call me or my partner Albert Orr (414-298-8209) directly if you have any questions.

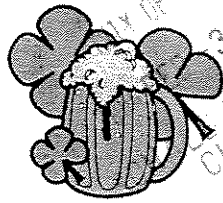
Yours very truly,

A handwritten signature in cursive script, appearing to read "Bruce T. Block".

Bruce T. Block

MW\1057716BTB:EW

cc Members of Common Council
Ronald D. Leonhardt, City Clerk



McGILLYCUDDY'S Bar and Grill

1135 North Water Street
Milwaukee WI 53202

Voice: 414.278.8888

Fax: 414.278.8875

McGillycuddy's Bar & Grill 2003

1. Annual Attendance

- 250,000 Estimate
- Annual Food Sales \$550,000.00

2. Employees

- 100 on average, 30 full time/70 part time
- 13% minority employees
- \$521,500.00 in wages (ownership not included)
- \$40,000.00 in health care
- \$7,500.00 other benefits
- 5 employees participate in our 401K plan
- Former employees include:
 - Tova Washington, current Channel 12 Newscaster
Bartender 1 year
 - Isaac Eagan, currently serving in Iraq
Security 3 years

3. Taxes Paid in 2003

- | | |
|-------------------------------|--------------|
| •Wisconsin State Sales Taxes | \$141,296.00 |
| •Milwaukee County Sales Taxes | \$14,129.00 |
| •Exposition Taxes | \$ 7,064.00 |
| •County Stadium Taxes | \$ 2,825.00 |
| •Payroll Taxes | \$ 92,143.00 |
| •Personal Property Taxes | \$ 5,085.00 |
| •Social Security/Medicare | \$ 68,200.00 |
| •Unemployment Taxes | \$ 22,360.00 |

4. Rent & Real Estate Taxes Paid to landlord Donald Baumgartner \$139,580.00

5. Ownership

- Paul Melotik
 - Carroll College Graduate 1979
 - 23 years Bar/Restaurant Owner
 - Married – Wendy, former MPS School Teacher
 - Children – 3 Boys
 - Current President of The Water Street Association
 - Responsible for Riversplash, Harley Davidson Events and other Water Street block parties. Also, runs shuttles to Bradley Center and Holiday Lighting. The Water Street Association meets annually with a Milwaukee Police Captain or Lieutenant.
- Steven W. Smith
 - Carroll College Graduate 1979
 - 22 years Bar/Restaurant Owner
 - Married – Anita, Former MPS School Teacher
 - Children – 2 Boys, 1 Girl in college
 - Current Board Member of East Town Association

6. Managers

- Joe Scardina – Age 33 - Agent & Kitchen Manager – 12 Years at McGillicuddy's
- Sheri Thiet – Age 41 - Office Manager – 12 Years at McGillicuddy's
- Dave Erickson – Age 39 – General Manager – 12 Years at McGillicuddy's
- Bill Deuberry – Age 32 – Night Manager – 9 Years at McGillicuddy's
- John Bergeson – Age 39 – Day Manager – 11 Years at McGillicuddy's
- Melissa Birkholz – Age 36 –Office Asst. & Asst. Manager–10 Years at McGillicuddy's
- Mark Ryterski _ Age 34 – Head of Security – 12 Years at McGillicuddy's

7. Memberships

- Greater Milwaukee Convention & Visitors Bureau
- Wisconsin Restaurant Association
- Tavern League of Wisconsin
- Water Street Association

8. Awards

- 2003 Night Owl Award – Recognized as an asset to Milwaukee Night Life by the Milwaukee Downtown BID District
- Boys & Girls Club of Greater Milwaukee Holiday Helping Hand Award 2003

9. Charities & Sponsorships

- Annual Corporate Sponsorship for Milwaukee Admirals (\$6,000.00)
- Sponsor of Broom Ball Tournament at Red Arrow Park
- Sponsor Soccer & Basketball Teams
- Milwaukee Social Club Football League Sponsor
- Children's Hospital benefits from our 200 plus person Annual Charity Golf Outing
- United Cerebral Palsy Christmas benefits in association with Miller Brewing Company

10. Tourism

Thousands of McGillicuddy's customers come from other cities, states and countries. We draw many people before and after Summerfest, Miller Park, The Bradley Center and other downtown events. This past year thousands of Harley Riders patronized McGillicuddy's; many were repeat customers from years' past. Riversplash was also -once again a great event.

We book many private parties through The Convention Bureau and our Web Site. Just last week for example, a bus full of Chicago's United Center workers had a private party before and after the Buck's Game (their 2nd visit)) and a group of Executives from London's SAB Miller including the C.E.O, The C.F.O. and Miller's President Norman Adame had a private party upstairs.

11. National Exposure

- Featured on Eliminate Television Show
- Hosted ESPN Zone Major League All Star Show
- Site for Miller Brewing Company Commercial